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FOREIGN AGRICULTURE



December 21, 1970

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Food Needs Soar in East Pakistan

U.S. Tobacco and U.K. Entry Into the EC

Foreign
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OF AGRICULTURE

FOREIGN AGRICULTURE

VOL. VIII • No. 51 • December 21, 1970

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Use of funds for printing *Foreign Agriculture* has been approved by the Director of the Bureau of the Budget (May 1, 1969). Yearly subscription rate, \$10.00 domestic, \$13.00 foreign; single copies 20 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

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East Pakistan Soar in Wake of

By JOHN PARKER
*Foreign Regional Analysis Division
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Left and right, typical rice-raising, mud-walled East Pakistan villages before and after a cyclone and tidal waves. Below, food bags are loaded on a U.S. Army helicopter for emergency distribution.

Food Needs Recent Storm



In the wake of the devastating cyclone and tidal waves which resulted in extensive crop loss, East Pakistan will require an unprecedented volume of food imports during the coming year. Current estimates put that country's total 1970-71 food imports at 3 million tons, including 2.7 million tons of grain, flour, and pulses.

Combined wheat and rice imports from foreign sources are likely to approximate 2.2 million tons, almost triple the level of 1968-69 and about 1 million tons above the 1969-70 level. Shipments of wheat and rice from West Pakistan are expected to exceed 500,000 tons, about double the level recorded in 1968-69. Vegetable oil and preserved milk imports are also expected to rise.

Accordingly, a good opportunity exists for expanded U.S. sales to the area—primarily long-term credit and disaster relief sales, as well as some cash sales.

East Pakistan's total wheat imports from the United States may reach 1.2 million tons in 1970-71, more than double the 560,000 tons of 1968-69 and substantially above the estimated 800,000 tons of 1969-70. The first shipments of a 285,000-ton wheat grant from the United States are now beginning to arrive; and additional food supplies are expected to be shipped through various U.S. relief agencies.

Continued rise in wheat imports

Even before the recent disaster, relatively large wheat deliveries were sched-

uled to arrive in East Pakistan in November and December. These, combined with disaster relief shipments, will bring wheat imports from Canada, Australia, and the European countries to about 400,000 tons in 1970-71, compared with 98,000 tons in 1968-69.

During November and December, the Canadians will deliver their previously-planned gift of 110,000 tons of wheat. Australia delivered about 150,000 tons of wheat to East Pakistan in 1969-70, and the United Kingdom recently paid for 20,000 tons of Australian wheat shipped to the area. A week after the disaster, the British announced plans to quickly send another 20,000 tons of wheat and flour to East Pakistan. Wheat and flour shipments from other European countries include 27,000 tons from West Germany and 15,000 tons from France. About 28,000 tons of wheat from the European Community's food aid program arrived earlier in 1970.

Large rice deliveries scheduled

With tidal wave damage especially severe in rice growing areas, East Pakistan's rice imports are expected to increase tremendously. During 1970-71, rice imports and arrivals from West Pakistan will probably approach 1 million tons, compared to about 210,000 tons in 1968-69. West Pakistan's deliveries of rice to East Pakistan reached 403,000 tons in 1969-70, compared with only 178,000 tons in 1968-69; and further gains are likely in 1970-71.

It is likely that Japan will be the

leading foreign source of East Pakistan's rice imports in the coming year. About 100,000 tons of rice were imported from Japan in early 1970, and another 200,000 tons are scheduled for delivery during the next few months. Plans for additional deliveries are being discussed.

Mainland China has delivered 100,000 tons of rice to East Pakistan this year, and the delivery of another 100,000 tons by June 1971 is possible. As a nearby source for quick delivery and East Pakistan's primary rice supplier in 1969, Burma may also increase rice shipments soon. India is sending some rice for the relief of people in the disaster area, and Nepal is also expected to make some deliveries.

During the last decade, rice production in East Pakistan has not increased as rapidly as the fast growing population. Today, about 72 million people live in an area about the size of Arkansas, and their daily food intake averages 2,100 calories. This level has been maintained only with the help of rising imports of foodgrains and vegetable oils. The production of potatoes, bananas, peanuts, and other crops has been doubled during the last decade to help offset the decline in per capita supplies of rice. The Government has found it necessary to establish a rice procurement and rationing system, and imported grain largely has been distributed to urban residents.

Most of the people in areas damaged by the cyclone and tidal waves were
(Continued on page 16)

For U.S. tobacco growers, the United Kingdom's eventual entry into the European Community could be the most significant international trade movement of the century. The enlarged Community may extend the regulations prescribed by the EC tobacco CAP¹ to over 55 percent of all Free World tobacco exports and over 58 percent of total U.S. tobacco exports.

Although our relative share of the market in the EC countries has dropped since the formation of the European Community in 1958, the United States made small increases in tobacco exports to that area through 1969—primarily because of the United Kingdom's embargo of Rhodesian tobacco.

Since Colonial days the United Kingdom has been the largest single market for U.S. tobacco, taking 23.2 percent of all U.S. tobacco exports in 1969. The British industry, which is 100 percent dependent upon imports for raw tobacco, imported 305.4 million pounds of unmanufactured tobacco in 1969. Of this, the United States supplied 44.1 percent or 134.7 million pounds; Commonwealth countries 136.5 million pounds; and other sources 34.2 million pounds.

In 1969 total imports of the EC and U.K. combined totaled 960.4 million pounds or over 51.6 percent of total free world import trade. U.S. tobacco exports to the EC and U.K. in 1969 totaled 315.1 million pounds or 54.6 percent of all U.S. tobacco exports.

The United Kingdom developed the straight English-type cigarette (100 percent flue-cured with no additives) which has been adopted throughout most of the former British Empire. In 1969, 96 percent of U.K. leaf imports were flue-cured tobacco.

However, if the United Kingdom becomes a member of the EC, the old British law prohibiting additives and providing for 100 percent unsweetened flue-cured type cigarettes will no doubt be replaced, for three reasons.

- To permit the U.K. tobacco industry to compete in the EC with an American-blend cigarette.

- To allow the U.K. industry to take advantage of the additional 555

U.K. Entry

Into the EC:

Prospects for

U.S. Tobacco

million pounds of duty-free oriental and flue-cured tobacco available from Greece and Turkey and highly duty-preferred tobaccos from overseas associated countries.

- To comply with the wishes of other EC members who would probably insist on the removal of this nontariff barrier.

The repeal of the U.K. additive law could result in a substantial decrease in flue-cured tobacco purchases, while at the same time offering an opportunity for slightly expanded markets for U.S. burley tobacco and providing a new outlet for Oriental leaf from Greece and Turkey.

In this connection, probably in anticipation of possible entry into the EC, the last U.K. budget message made provisions for authorizing the manufacture of tobacco substitutes and their



Left, strung tobacco leaves being stored in Turkey. Above, Greek farmer picks ripe tobacco leaves.

¹ *Foreign Agriculture*, Nov. 2, 1970 pp. 4-6.

1969 LEAF TOBACCO PRODUCTION: EC, OAC, AND AFRICAN COMMONWEALTH COUNTRIES, GREECE, TURKEY, AND RHODESIA

Country	Amount 1,000 pounds
EC	
Belgium	4,079
France	110,230
West Germany	18,300
Italy	167,285
Total	299,894
OAC	
Cameroon	8,000
Congo (Brazzaville)	5,700
Congo (Kinshasa)	500
Ivory Coast	8,800
Malagasy	10,000
Morocco	4,189
Tunisia	6,000
Ivory Coast	8,800
Rwanda & Burundi	3,500
Total	55,489
African Commonwealth Countries	
Ghana	2,700
Nigeria	24,640
Zambia	12,038
Malawi	26,522
Tanzania ¹	22,000
Kenya ¹	225
Uganda ¹	10,332
Total	98,457
Associated Countries	
Greece	178,919
Turkey	321,000
Total	500,019
Rhodesia (current capacity)	300,000
Grand Total	1,252,859

¹ Included by Arusha Convention.



Left, field of flue-cured tobacco growing in Zambia, an important tobacco exporter and supplier of the United Kingdom.

all U.S. tobacco exports.

There is no doubt that the CAP on tobacco adopted in February 1970 is designed to give preference to EC production over tobacco from non-EC sources. In related action the EC has extended duty-free status on tobacco imported from Associate Members (Greece and Turkey) and high preferential if not duty-free status from the associated African territories.

Britain is expected to make a strong effort to include as associated overseas territories of the EC, the African tobacco-producing countries of Gambia, Sierra Leone, Ghana, Nigeria, Lesotho, Botswana, Swaziland, Zambia, Malawi, Mauritius, Seychelles, and St. Helena. Tanzania, Kenya, and Uganda, former British Commonwealth countries, have already obtained association through the Arusha Convention.

It is presumed the United Kingdom will lose the Commonwealth preference of 18.5 cents per pound which it currently receives on the 100 million pounds purchased annually from India, Pakistan, and Canada. However, the enlarged Community will include an annual production of 1,250 million pounds of duty-preferenced tobacco.

Estimated leaf production for 1970 in the combined areas of the expanded EC, African Commonwealth countries, plus EC Associate Members Greece and Turkey, totaled 916.8 million pounds, or about 10 percent of estimated world production.

The expanded Community would have the area, soil, climate and adaptability necessary for potential self-sufficiency in major types of tobacco, provided the CAP is implemented in such a discriminatory way that it will develop and expand production from within and, at the same time, through tax harmonization, levy predominantly ad valorem taxes which could gradually phase out the higher priced American tobaccos from the Common Market blends.

The success or failure of future exports of U.S. tobacco will largely depend upon our ability to obtain a liberal rather than restrictive implementation of the CAP on tobacco.

use in cigarette manufacture. Substitutes would include casings and sweeteners.

The United Kingdom plays a large role in world tobacco trade. The Imperial Tobacco Company, currently with 64 percent of the United Kingdom's tobacco market, is the largest single foreign purchaser of not only American tobacco, but also of American agricultural products.

The American Tobacco Company has recently purchased Gallaher's, the second largest firm in the United Kingdom. Carreras', the third largest firm, is now controlled by another large and expanding international combine, the Rembrandt-Rothman group of South Africa. Godfrey-Phillips, the fourth largest firm, has recently been taken over by the Philip Morris Company.

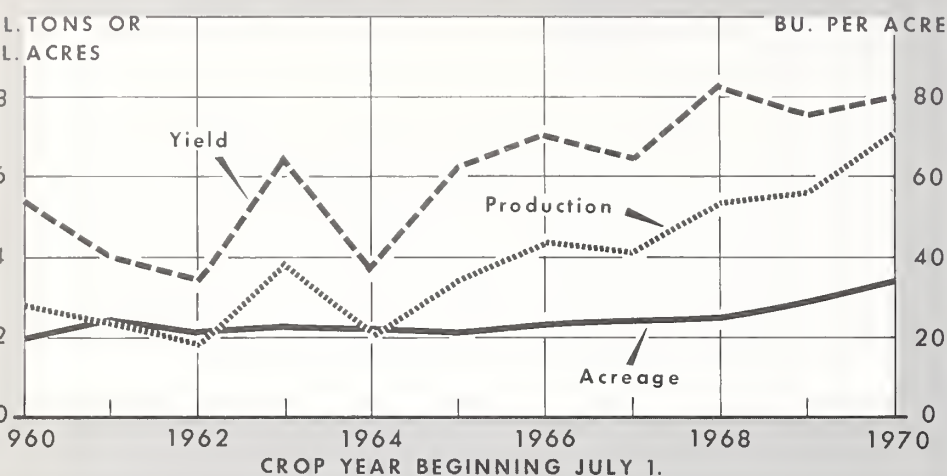
The British American Tobacco Company, is headquartered in London but does not manufacture for the U.K. market. Today, subsidiaries of this company operate over 125 factories in more than 50 countries, including Brown and Williamson Tobacco Company of Louisville, Kentucky.

The combined brands and production techniques of Imperial, American, Rothman's, and Philip Morris, give the United Kingdom a home-based tobacco industry whose production efficiency is unmatched anywhere in the world, with the possible exception of the United States.

U.S. tobacco producers are also eying with some concern the possible entry of Ireland, Denmark, and Norway into the Common Market.

During 1969, Ireland, Denmark, and Norway imported 70.8 million pounds of tobacco from all sources. Of this, the United States supplied 26.4 million pounds—over 4.6 percent of all U.S. exports. Combined imports by the EC, United Kingdom, Denmark, Ireland, and Norway totaled 1,030.8 million pounds or over 55.4 percent of total Free World export trade in 1969. U.S. exports to these countries totaled 351.9 million pounds or about 61 percent of

FRENCH CORN ACREAGE, YIELD, AND PRODUCTION



French Corn Producers Seek New Markets as Production, Yield, and Area Increase

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French corn production may jump as much as 20 percent this year and U.S. corn producers are finding the prospect disquieting. The French Ministry of Agriculture has yet to release final production figures but those published in October indicated a crop of 6.9 million metric tons compared with last year's 5.7 million. Acreage planted to corn has nearly doubled in 10 years but because of an increase in yields of around 50 percent, overall production has soared considerably more than 100 percent during the decade.

Domestic consumption has also mounted by more than 100 percent, but French corn producers have increased crop size over the years so that corn imports have remained fairly stable at about 400,000 tons. At the same time, however, French exports of corn have

more than tripled with a considerably higher portion of the increase going to other European Community (EC) countries than to non-EC customers.

French corn acreage and yields were fairly static during the first half of the 1950's and production was confined to traditional producing areas in southwestern France. During the Marshall Plan French farmers were introduced to American hybrid corn seed and became aware of production increases possible through its use.

In fact, one of the leaders of the French grain industry has said that "the father of the great advances in French corn production was a professor at the University of Wisconsin," who, in the 1950's, taught French farmers about U.S. hybrid corn.

However, France's National Agricultural Research Institute says that it had begun experiments with early maturing American hybrids and French varieties in 1947. Two hybrid varieties developed in France were made available to farm-

ers in 1958, and in 1964, one of these varieties accounted for production of one-fourth of French corn area.

During the second half of the 1950's, the results of increased use of hybrid seeds became apparent. Acreage and yields began to climb in a progressive uptrend, although with some year-to-year variations. The establishment of the EC apparently gave added impetus to corn production, and adoption of the Common Agricultural Policy (CAP) in the early 1960's sparked expansion in acreage beyond the 2.4-million-acre mark. Accompanying increases in yields, beginning in 1968-69, resulted in a 1-million-ton production hike over the previous year.

Each crop year from 1968-69 to the current one—1970-71—has shown marked increases in yields over the previous year's, with a yield of 85 bushels per acre in 1968-69, about 76 bushels per acre in the succeeding crop year, and estimates of 75 to 80 bushels per acre for this year. Prior to crop year 1968-69, the previous high was 68 bushels per acre in 1966-67.

French corn producers have advanced several reasons for this dramatic jump in yields. They say that the last 3 years have been free of major droughts, except for a dry season this year in southwestern France, and that improved field preparation methods have resulted in higher soil moisture levels for utilization in dry periods.

They add that production has been expanded in the Paris basin (a region of large grain farms) where level fields permit the use of farm machinery and to the north of the Loire River where many grain areas are irrigated.

Better technical methods and increased fertilizer use were also important. Total fertilizer consumption has doubled in France in the 10 years 1958-59 to 1968-69, with the highest jump in 1967-68.

This movement out of the traditional southwest area to regions north of the Loire River has been so great that considerably more than half of France's corn is now grown in that region, in areas which previously would have been considered unsuitable. This movement was greatly accentuated in 1970 when poor fall and spring climatic conditions prevented the planting of nearly 741,000 acres of wheat and about 123,500 acres of barley with a resultant estimated increase in corn area of 617,000 acres. The largest increases were di-

vided between the central areas of France, the Champagne area, and most of the northern regions of the country.

France's northern Provinces are at about the same latitude as Winnipeg, Canada, and even with extensive use of early maturing varieties of corn, the degree of success farmers in that region will enjoy is unknown at present. Yields in these Provinces can be expected to be lower than yields in already established corn areas. An additional factor in determining the productivity of the new areas is whether corn acreage increases there are permanent or short-lived.

Informed opinion is that there will be some acreage reduction as farmers, particularly in the northern Provinces, return to more familiar, traditional crops such as wheat and barley. However, it is expected that acreage will continue up the following year.

The French Corn Producers' Association, which had earlier forecast that areas planted to corn in 1975 would reach 3.9 million acres, now believes a more accurate estimate might be 4.4 million acres and that even this figure might be conservative.

Contributing to the association's assessment were such factors as the introduction into France of new corn varieties which matured earlier than regular strains and so could be produced in new growing areas; the use of higher yielding varieties that are more resistant to disease and lodging; and the continuing development and extension of new technical methods.

French stockmen are making increased use of corn for forage and silage. Formerly production for this purpose was carried out on a small scale. However, it has increased in the past few years until now an estimated 741,000 acres in large-scale plantings are being used for this purpose, particularly in western France, to feed dairy cattle.

Seed corn production in France has increased from 220 tons in 1950 to 34,200 tons in 1968. In addition to varieties developed in France, several American strains are also being produced there.

Seed production has reached a point where representatives of the French seed industry are criticizing proposals for a CAP on seeds, now under discussion, for not providing sufficient protection against imported seeds. In addition to competition from overseas, the

French seed industry sees competition arising in Italy and Germany.

Current estimates are that about 200,000 more tons of corn will be used for mixed feed in 1970 than were used in 1969, up from 1.6 million tons to 1.8 million. Additionally, farm consumption is expected to increase this year by 300,000 tons over last year. The corn production group estimates that between 2 million and 2.5 million tons of corn will be used in 1975 for mixed feed. However, this usage depends on the degree to which other grains are substituted for corn in mixed feed formulas.

As an example, cereal use by the mixed feed industry increased by 800,000 tons in 1969-70 when compared with 1968-69, but corn use accounted for only 150,000 tons of the increase, barley for 200,000 tons, and wheat, thanks to the denaturing premium, accounted for the rest.

The French producers association believes that cereal requirements for the mixed feed industry will be higher because of population growth and a rise in the standard of living. However, it tempers its prediction by stating that better animal production techniques could result in a lower corn consumption per animal unit.

France's starch industry last year used about 500,000 tons of corn, and approximately 100,000 additional tons were ground for cornmeal. These uses increased about 50,000 tons per year.

Corn producers are seeking changes in Community regulations to permit the

use of corn or corn products in beer and in confectionary products. But even without these new outlets, it is expected that corn use will continue to grow at about the current rate and will reach some 800,000 tons annually in 1975.

Provisional figures indicate that France's corn exports were slightly less in crop year 1969-70 than for the previous crop year—2.2 million tons instead of 2.3 million. However, French producers believe they will be able to increase their exports within the Community as corn production expands in areas near countries having the greatest demand. They believe that for the 1970-71 crop year they can increase exports to the Community from 200,000 to 700,000 and that exports to third countries could increase by 500,000 to 1 million tons, depending on the size of the increase in exports to Community partners.

France's principal export market for corn outside of the Common Market is Spain, and while that country is trying to develop its own corn production, French growers believe that an increase in Spanish livestock production will mean a continuing import requirement that France will meet.

Other principal customers for French corn are Switzerland, Denmark, Norway, and especially the United Kingdom. Even with sizable sales to these nations, the last three of which are seeking membership in the EC, French corn producers believe they must seek new export markets such as countries in Asia and Africa, and the USSR.

*Harvesting
corn for
forage on a
French farm.
(Photo: French
Ministry of
Agriculture)*



Agriculture in Norway's far north—near or above the Arctic Circle—is distinctive for both its problems and for measures taken to solve them.

Some of the problems are the short growing season, low summer temperatures (which slow up plant growth), remoteness from markets and sources of supplies, and the relative infertility of the soil. In an area in which agriculture is one of the chief occupations, only a small portion of the total food needs of a population of about one-half million is met by local production. Arctic Norway supplies its own food needs only in fresh milk and potatoes.

Most of the steps taken to help Norway's Arctic farmers have been initiated by the Norwegian Government. Hefty subsidies for dairy production, an arrangement that in effect pays costs of transporting farm inputs to the far north, and assumption of most of the costs of putting new land into agricultural production are some of the more major innovations.

Traditionally, Norway's Arctic farmers have helped themselves. Commonly, they have combined small-scale farming with fishing operations for extra income. While the combination of fishing and farming has been satisfactory for some, it has also kept others from exploiting the full potential of either.

Farming methods in these Arctic areas are lagging, and most of the 26,000 farms are too small to provide an adequate livelihood. They average between 5 and 12 acres, and only 29 percent have more area than about 18.5 acres. In addition, Arctic farmers have many problems of environment.

The only level land in the 43,652 square miles of the three northern counties of Norway—Nordland, Troms, and Finnmark—lies in narrow strips along the coast, and these lowlands are not continuous. Even the coastal lands have numerous outcroppings of rock, and the soil is peppered with stones. Both make cultivation difficult. Because of the discontinuity of lowlands, farms are isolated and transportation between them and to markets is chiefly by boat and ship. For the area as a whole, less than 1 percent of land is cultivated; in Finnmark only 0.2 percent is tilled.

The climate is less than ideal for

agriculture. Coastal areas are warmed by the Gulf Stream but also tend to receive excessive rain during the short growing season. At the same time interior regions—pastures for sheep and reindeer—get little rainfall. Because of the far northern latitude, the growing season is short—ranging from about 170 days in the very southern part

not seeded for pasture or hay crops because they do not usually survive Arctic winters.

Even for growing grass heavy applications of fertilizer—particularly nitrogenous substances—are needed. Because of the cool climate very little of the organic fixed nitrogen present in the soil is released by soil bacteria for



Agriculture in the Arctic

of the area (south Nordland) to about 90 days in the north (Finnmark). The many hours of daylight per day that encourage plant growth are more than counterbalanced by low temperatures. The average temperature of the warmest month in Finnmark, for example, is only 50° F.

Because of the climate and topography, the types of crops that can be grown and livestock that can be raised are limited. Some cereals—chiefly feed barley—are grown in southern Nordland; but north from the town of Bodø potatoes and grass are the main cultivated crops. A few vegetables, such as carrots and cabbage, are grown in small quantities. Glasshouse production of vegetables is up but still minor.

By far the most important crop is grass, which is grown for use by livestock on 90 percent of the cultivated area. Native grasses do comparatively well in the Arctic climate but are gradually being replaced by specially bred varieties of Timothy, which outyield natural meadow by about 40 percent. Clover and other leguminous plants are

plant use. Most of Norway's Arctic farmers use fertilizers in amounts recommended for optimum yields.

Dairying is the predominate livestock operation, and for most farmers sales of fluid milk for local consumption is a main source of income. Arctic Norway at present contains about 100,500 cattle—or 10 percent of the country's cattle population. Recently, however, cattle numbers have been declining, and there is little surplus milk available for butter and cheese production—another possible source of income to northern farmers.

Approximately 331,500 head of sheep—or 18 percent of Norway's total—live in the Arctic. They are concentrated on inland mountain pastures during the summer and commonly spend the winter out-of-doors near the coast, where they can be hay fed. Sheep seem to have good potential in northern Norway and the Government is encouraging sheep raising.

About 120,000 reindeer pasture in Finnmark—the northernmost subdivision of Norway—under the care of

an estimated 300 Lapp families. Animals are moved to coastal areas where the grass supply is plentiful for the summer but are taken inland to mountain plateau pastures for the winter. The heavy snowfall in winter along the coasts prevents reindeer from finding sufficient grazing; but the sparse snowfall inland is not an impediment

present is the higher prices fixed for milk delivered in Nordland, Troms, and Finnmark. Nordland and Troms milk gets an extra subsidy of \$0.15 per gallon and Finnmark milk \$0.24 per gallon in addition to the normal support price. Farm butter produced in Nordland and Troms brings \$0.16 extra per pound and Finnmark butter \$0.25

extra. But consumers in northern Norway pay the same prices for dairy products as customers in the south.

Another form of dairy aid is that freight subsidies are given for moving milk between dairy plants—that is, for transport from surplus to deficit areas.

A policy that considerably benefits northern livestock raisers is maintained by the Norwegian Grain Corporation. All feeds and feedgrains are sold at the same price throughout Norway. Since there are no feed processing plants in northern Norway—and no material to process in most of the area—complete feeds are shipped from the south with the Grain Corporation paying the extra transportation costs.

Another indirect aid to livestock production is the Government's subsidy on fertilizer use—substantial in the north—without which farmers could not grow enough grass for their cows.

The Government's most unusual aid to livestock raisers in the Arctic is supervision of the annual reindeer slaughter and inspection of reindeer meat. Each year around September (after temperatures drop near or below freezing) mobile slaughtering rings are set up in the open and reindeer are butchered by the local population. The surplus meat is sold not only in Norway through farmer-owned cooperatives but is also sold on foreign markets.

Getting more land under cultivation in the Arctic has high priority with the Government. Aid for developing new farmland is given generously; of the estimated cost of bringing new land under cultivation—\$560 per acre—the Government will pay 80 percent. But there is little evidence the program has had much impact. While the costs of development are high, returns from new cultivated lands are relatively low. The extent of cultivated area has actually decreased in the past 10 years. As new farms are brought into production, old ones are abandoned or permitted to return to permanent pasture.

The future of farming in Arctic Norway remains uncertain. The trends of the last 10 years in decrease of numbers of farms but increase in farm size will probably continue and may increase the profitability of operations. Probably, however, the area will do well just to hold its own in farm output and returns on its agriculture. Hence it is unlikely that Arctic Norway will become more self-sufficient in supplying its food needs.



allenges Norway's Farmers

to reindeer movement and feeding. Lapps profit from reindeer by selling surplus meat and by making reindeer byproducts, such as hides and horns, into handicraft for sales to tourists.

Despite the limited possibilities and difficulties of agriculture in the Arctic, the Norwegian Government, in cooperation with local farmer organizations, is committed to a program of maintaining and improving farming in the north. The Norwegians want to keep farmers in the Arctic to maintain certain basic food supplies for defense purposes, and the Government is willing to pay the costs of programs to accomplish this objective.

One of the most important forms of Government aid to Arctic farmers at



Clockwise from above left: loading hay in Alta Fjord in Finnmark; Finnmark farmhouse on the shore of the Arctic Ocean; sheep graze on an inland summer pasture.



"Carnation Ivanhoe Pontiac" was center of attention at the Fair.

U.S. Cattle at Mexican National Livestock Show

Over 3 million people, including many cattlemen, visited the U.S. pavilion at the Mexican National Livestock Show, held in Mexico City from October 24 to November 2.

The Mexican National, held every 2 years, is Mexico's largest and most prestigious livestock show. It draws exhibitors from all over the Republic and visitors from all over the world. This year, more than 1,000 head of top-quality beef and dairy cattle were shown, as well as substantial numbers of hogs, sheep, goats, and horses.

The star of the U.S. pavilion was Carnation Ivanhoe Pontiac, a prize Holstein bull donated by Carnation Milk Farms. The bull was presented to the people of Mexico for use in the artificial insemination program of the Government of Mexico by Robert Rumber, executive-secretary of the Holstein-Friesian Association of America on behalf of breeders of registered Holstein-Friesian cattle in the United States.

Sr. Manuel Bernardo Aguirre, recently appointed Mexican Secretary of Agriculture, said the bull would be a valuable addition to the Government program.

In addition to Carnation Ivanhoe Pontiac, the U.S. pavilion featured some 20 head of top-quality dairy animals imported especially for the exposition.

With permission of Fair authorities, seven of the animals were shown in competition and won a total of five blue ribbons and two championships. These animals will remain in Mexico and, in fact, most were sold at the pavilion.

Five of the Holsteins were purebred, but not registered—the first time the Mexican Government has allowed unregistered animals to be imported. These

animals were accompanied by certificates of qualification for export—a new service offered by Holstein-Friesian Services to provide assurance to importers that they are getting the quality asked for. It is hoped that the Mexican Government will allow imports of additional unregistered animals in the future on the basis of this certificate.

Representatives of nine U.S. breed associations including the Santa Gertrudis, American Brahman, Aberdeen-Angus, Hereford, Polled Hereford, Jersey, Holstein-Friesian, Charolais, and American Quarter Horse Association, manned information booths in the U.S. pavilion and met with important potential buyers. While final figures will not be available for some weeks, preliminary estimates on sales generated from these contacts range from \$500,000 to \$1 million.

Mexico is the number one export market for U.S. dairy breeding cattle, taking about 2/3 of total U.S. exports in 1969. The majority of the 8,756 dairy animals shipped to Mexico that year were Holstein. Other dairy breeds exported to Mexico included Brown Swiss, Guernsey, and Jersey.

Mexico also continues to be a substantial outlet for beef breeding cattle. In 1969, sales to Mexico reached 6,238 head, second only to Canada. Herefords continued to dominate but sales of Angus, Beefmaster, Brangus, Charolais, Santa Gertrudis, and Brahman were also significant.

Holstein—Friesian Services Stimulate

The big black-and-white Holstein Friesian looms large among U.S. livestock exports. In 1969 Holsteins were shipped to 39 countries, and accounted for over 92 percent of all U.S. dairy cattle exports. As the production capability of the Holstein-Friesian becomes more widely recognized, more and more countries are turning to the United States for Holsteins to build up their milk supplies.

In order to facilitate exports, delegates to the 1968 convention of the Holstein-Friesian Association authorized the Board of Directors to establish a subsidiary organization under which special service programs might be organized and implemented.

Accordingly, the Board established Holstein-Friesian Service, Inc. (HFS, Inc.) to develop and carry out exports, breed and herd improvement, and computer service programs. So far, efforts have been concentrated on developing markets for livestock exports with emphasis on registered Holstein-Friesians. A project agreement with USDA's Foreign Agricultural Service provides for an annual marketing plan under which an organized approach to cultivating foreign interest is followed.

The Director of HFS, C. T. Barns, Jr., coordinates Holstein promotion activities at U.S. exhibits in various livestock fairs. For the past 6 years Holsteins have been displayed at the Inter-

Variety Meats In Manchester

A special exhibit featuring U.S. variety meats attracted meat manufacturers, retail butchers, and wholesale, institutional, and catering firm buyers to Manchester's Municipal Meat Market on November 4. The exhibit, sponsored by USDA in cooperation with the Manchester Wholesale Meat Trade Association, occupied two stalls in the modern market—England's largest—and was held during regular marketing hours, from 6 A.M. to noon.

The products displayed included U.S. beef and lamb livers and kidneys, beef tongues, oxtails, and tripe supplied by Swift, Armour, Morrell, Wilson, and Packerland Packing Company. On hand to discuss their products were S.W. Frankenthal, president, Packerland Packing Company, and Joseph Baka, Swift and Company.

Immediately following the exhibit, the U.S. Agricultural Attaché hosted a luncheon for approximately 100 of the major variety meats buyers from the Manchester area. Aled Davies, vice president, American Meat Institute (AMI), was principal speaker at the luncheon. He pointed out the value of



U.S. variety meats on display at the Manchester Meat Market.

U.S. variety meats from price and quality standpoints and gave preliminary AMI estimates of the quantities of U.S. variety meats available for export during the coming months.

The United Kingdom is the second largest importer of U.S. variety meats; since 1966 imports from the United States have averaged about \$18.5 million (c.i.f. U.K.)—approximately 20 percent of total variety meat imports by the United Kingdom.

Although variety meats are a very popular food item in the Midlands and Northern England, this was the first USDA variety meats market promotion held in the Manchester area.

In addition to the United Kingdom, France, the Netherlands, West Germany and Mexico are important markets for U.S. variety meat exports.



Exports of American Dairy Cattle

national Dairy Cattle Fair at Cremona, Italy. Holsteins are also regular participants at fairs held in Verona, Italy; Santarem, Portugal; São Paulo, Brazil; Valencia, Venezuela; and Queretato, Mexico.

In addition to Barns' coordinating activities, staff members of HFS carry out marketing surveys, serve as symposium speakers, groom and care for animals on exhibit, judge at foreign shows, classify livestock herds of foreign importers and breeders, and in a variety of other ways further the market outlet for U.S. dairy breeding cattle.

For years, foreign sales of dairy cattle have been limited to filling orders received directly by U.S. exporters or

through limited inquiries received by the Holstein-Friesian Association.

However, with the stepped-up activities generated by the formation of HFS, a different method had to be developed. To stimulate foreign demand and thereby expand export markets, a system utilizing export coordinators was developed. These men handle the complete export transaction—from buying the cattle according to specified requirements to delivering them to the export point. The staff of HFS provides assistance in coordinating the shipping, insurance, procurement, export location, and combining of orders. They also certify that the animal meets buyer requirements in pedigree.



New Pact for Wheat To Be Negotiated

The International Wheat Council has agreed that a conference should be held in early 1971 to negotiate a replacement for the International Grains Arrangement of 1967, which expires on June 30, 1971. The Council took this action at its fifty-ninth session in London, October 27-November 4, by unanimously confirming a provisional decision made in June. At that time the Council made tentative arrangements through the United Nations for the United Nations Conference on Trade and Development (UNCTAD) to sponsor such a conference.

The Council acted after receiving a report from its Preparatory Group which had studied the advantages and disadvantages of formulating such an agreement. In general, the Preparatory Group declared itself in favor of continued international cooperation in wheat after the IGA expires.

The Preparatory Group expressed the general belief that the new wheat pact should be more flexible than the old one so as to accommodate the impact of increased wheat volume on a contracting world market. The Group, which consisted of delegations from 10 member nations and two nonmember nations, said that form and content of the agreement were proper subjects for negotiation.

The delegations agreed that discus-

sions should properly include a study of the shortcomings of the present wheat trade agreement. The U.S. delegation outlined several areas in which it said the agreement is deficient. Cited were the following:

- The contrast between the firmness of prices of some U.S. wheats shipped from gulf coast ports and the more flexible prices for wheat of other nations that result from using price equivalent formulas involving the use of freight rates.

- Distortion of competitive conditions in certain markets resulting from the use of price equivalent formulas, particularly those based on Rotterdam or the United Kingdom as a terminal point and from which other exporters derive their f.o.b. prices.

- Inflexibility of the present compact's entire price system resulting from the introduction of rigid differentials in its price provisions.

The U.S. delegation stated that in its view the only way to overcome these deficiencies was to return to an agreement similar to the International Wheat Agreement of 1962.

The Preparatory Group also examined other subjects which it felt would probably be discussed during the formulation and negotiation of a new wheat arrangement. These included criteria for selecting a reference wheat, formu-

las for calculating price equivalents, the question of ocean freight rates, the uses of price differentials, and commercial transactions as contrasted with non-commercial transactions.

In addition to receiving the report of the Preparatory Group the Council also reviewed grain operations for crop year 1969-70. It noted that world wheat production (excluding Mainland China's) totaled some 286 million tons, a drop of about 20 million below the 1968-69 record but more than in any other year. World trade in wheat and flour increased by 5 million tons to 50 million in 1969-70, while stocks of wheat increased by 3 million tons to a record level of over 67 million.

(The latter figure was based on carry-overs at the end of their 1969-70 crop years by the seven major exporting wheat producers—Argentina, Australia, Canada, the European Community, Spain, Sweden, and the United States.)

World production of coarse grains in 1969-70 (again excluding Mainland China's grain output) reached a new record of 515 million tons. Trade in these grains recovered to near record levels and world market prices of most coarse grains rose because of increased import demand.

The Council said that the area sown to wheat dropped for the second successive year in 1970-71, especially in some major exporting countries. As a result of these cuts in area, production was about 5 percent lower than in 1969-70, although still a little above the average for the previous 5 years. Based on expected demands for wheat for food and feed, the Council reported that world trade in wheat could increase to 55 million tons in 1970-71.

The combination of smaller exportable supplies of wheat and an increased import demand may lead to a decline of about 18 million tons in the seven nations' combined stocks at the end of 1970-71, one of the largest year-to-year changes in two decades. World production of coarse grains is expected to fall below the previous year's record and import demand is likely to increase.

The Council said further that wheat prices at the beginning of 1970-71 showed a marked upward surge. The improvement resulted from a better balance in market conditions such as actions taken by several major wheat exporters to cut production, an increase in world trade, and, recently, the expected drop in corn supplies.

CROPS AND MARKETS

Livestock and Meat Products

Meat Imports Down in October

Meat imports subject to the Meat Import Law during October 1970 totaled 89.3 million pounds, 17.5 percent below the October 1969 quantity of 108.3 million. Imports during January-October this year, at 1,000.5 million pounds, were 3.9 percent above the 963.3 million imported in the

U.S. IMPORTS OF MEAT
SUBJECT TO MEAT IMPORT LAW,¹ BY COUNTRY

Country of origin	October		January-October		Change from 1969
	1969	1970	1969	1970	Jan.-Oct.
	1,000	1,000	1,000	1,000	Per-
	pounds	pounds	pounds	pounds	cent
Australia	55,549	37,002	505,882	499,920	-1.2
New Zealand	17,064	25,801	192,544	194,300	+ .9
Mexico	9,316	7,027	57,535	70,576	+22.7
Canada	4,451	6,078	32,069	63,742	+98.8
Ireland	11,542	4,935	55,538	52,992	-4.6
Nicaragua	3,390	1,871	33,884	34,777	+2.6
Costa Rica	1,942	3,269	28,774	30,901	+7.4
Guatemala	1,661	1,245	21,071	22,345	+6.0
Honduras	1,829	213	17,377	14,946	-14.0
Dominican Republic	913	1,067	9,904	5,932	-40.1
Panama	176	90	2,721	5,101	+87.5
United Kingdom	386	461	4,945	3,871	-21.7
Haiti	127	74	1,084	1,060	-2.2
Total	108,346	89,333	963,328	1,000,463	+3.9

¹ Fresh, frozen, and chilled beef, veal, mutton, and goat meat, including rejections. Excludes canned meat and other prepared or preserved meat products.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW
[PL 88-482]

Imports	October	January-October
	Million pounds	Million pounds
1970:		
Subject to Meat Import Law ¹	89.3	1,000.5
Total beef and veal ²	116.3	1,150.5
Total red meat ³	151.9	1,539.7
1969:		
Subject to Meat Import Law ¹	108.3	963.2
Total beef and veal ²	122.1	1,069.2
Total red meat ³	161.3	1,438.6
1968:		
Subject to Meat Import Law ¹	102.1	869.6
Total beef and veal ²	112.4	960.3
Total red meat ³	143.9	1,322.4

¹ Fresh, chilled, and frozen beef, veal, mutton, and goat meat, including rejections. ² All forms, including canned and preserved. ³ Total beef, veal, pork, lamb, mutton, and goat.

same period a year earlier.

Reduced entries for consumption from Australia, Mexico, Ireland, Nicaragua, Guatemala, Honduras, Panama, and Haiti more than offset larger imports from New Zealand, Costa Rica, Canada, the Dominican Republic, and the United Kingdom (Northern Ireland). Imports from the largest supplier—Australia—totaled 37 million pounds. New Zealand followed with 25.8 million pounds, Mexico with 7 million, Canada 6.1 million, and Ireland 4.9 million.

Fats, Oils, and Oilseeds

Peru's Fishmeal Output Up

Peru, the world's second largest producer-exporter of high-protein meals, produced a record volume of 2.3 million short tons of fishmeal in the year ending September 30, 1970. This represents an increase of 437,000 tons, or 23 percent, over 1968-69, equivalent to the protein fraction of about 27 million bushels of soybeans.

The increase in production reflected a substantial improvement in the average meal extraction rate as well as a further expansion of the total catch by 6 percent to a record of 11.7 million tons.

Exports in 1969-70, at just over 2 million tons, were down by 7 percent. The volume was equivalent to 125 million bushels of soybean protein, 9 million less than in 1968-69. Most of the reduction was reflected in smaller movement to the United States.

Although it is rather early to attempt assessment of the final 1970-71 outcome, the following observations can be made:

(1) The total tonnage of landed anchovy has increased every year since 1962-63 by an average volume of over .7 million tons annually. Annual increases during this period have ranged from .2 to 1.8 million tons.

(2) The average meal extraction has been erratic within a range of 17 to 21 percent. To a large extent the extraction rate is subject to seasonal variations in fishing conditions which are uncontrollable.

(3) Upgrading of fish processing equipment to include evaporators for recovery of fish solubles could potentially increase the overall extraction rate by at least 10 percent.

(4) The Peruvian fishing industry last year added 75 new catcher boats and an even larger number is being added this year.

(5) Assuming that there is no substantial reduction in the 1971 year class of anchovies, it seems likely that the 1970-71 catch will increase somewhat. The extraction rate, which is subject to wider variations, may be estimated to be slightly above the average rates of the last 3 years. Production might thus approximate last season's record volume.

(6) This would lead to the conclusion that export availabilities including stocks will definitely be up—perhaps approaching 2.7 million tons, or 270,000 above the level of a year ago. The estimated increase in supplies would be equivalent to about 18 million bushels of soybean protein.

PERU'S FISHMEAL PRODUCTION AND EXPORTS

Year beginning Oct. 1	Fish catch	Extraction rate	Fishmeal production	Fishmeal exports	Residual
	<i>Million short tons</i>	<i>Percent</i>	<i>Million short tons</i>	<i>Million short tons</i>	<i>Million short tons</i>
1964-65	8.3	18.6	1.55	1.57	— .02
1965-66	8.8	18.5	1.63	1.30	+ .33
1966-67	9.0	17.7	1.59	1.55	+ .04
1967-68	10.8	21.0	2.27	2.11	+ .16
1968-69	11.0	17.1	1.88	2.28	— .30
1969-70	11.7	19.8	2.32	2.03	+ .29
1970-71 ¹	12.0	19.5	2.34	—	—

¹ Projected.

Buenos Aires Tung Oil Exports Down

Exports of tung oil from Buenos Aires to all destinations—at 32.4 million pounds during the January-October period this year—are running sharply behind the same period last year. The decline reflects an estimated 32-million-pound drop in the 1969-70 tung oil output in Argentina and Paraguay.

The United States, the world's largest importer of tung oil, is purchasing a larger proportion of the total Buenos Aires shipments this year despite the sharp increase in prices. This price increase reflects a relatively inelastic demand and a reduced U.S. output of only 5 million pounds.

In 1971, tung oil availabilities from Buenos Aires are expected to increase sharply, reflecting "on-year" production in Argentina and Paraguay in 1970-71.

TUNG OIL TRADE AND PRICES

Calendar year	Exports from Buenos Aires ¹	U.S. imports	U.S. share of Buenos Aires exports	Price per pound ²
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Percent</i>	<i>Cents</i>
1965	35.6	22.6	63	25.8
1966	50.4	29.8	59	21.0
1967	79.5	19.3	24	14.4
1968	58.1	15.7	27	11.8
1969	73.0	21.8	30	15.1
Jan.-Oct.:				
1969	62.1	17.1	28	14.1
1970	32.4	13.6	42	23.0

¹ *Boletín Marítimo*; presumed to include virtually all tung oil exported from Argentina and Paraguay. ² Imported, tanks, New York.

Tobacco

Australian Tobacco Production Increases

The 1970 Australian tobacco crop reached a new record of about 38 million pounds, 3 million pounds more than the previous record in 1969. Most of the production is flue-cured, with only a limited area of burley. Since 1947-49, domestic production has increased 34.4 million pounds. As a result of

large crops in the past 2 years, Australia has increased marketing quotas to cover production. The 1970 selling quota was increased from an original 31 million pounds to 34.7 million pounds, due to the carryover from the 1969 season. Actual sales during the season totaled 33.2 million pounds; consequently over 5 million pounds of leaf of the 1970 crop are still being held on farms and are presumably to be offered in the 1971 season.

Australia is an important market for U.S. leaf. During 1969, it was the seventh largest market for U.S. unmanufactured tobacco, taking 20.2 million pounds, worth \$19 million. But this market continues to be threatened by a highly subsidized domestic tobacco production and severely restricted import policy. In addition, a current prohibitive mixing regulation compels local manufacturers to acquire and hold sufficient Australian tobacco on hand to include a minimum of 50 percent domestic leaf in manufacture in order to qualify for a concessional rate of import duty.

The outlook for the coming season is for continued high production even though a large quantity of overquota leaf is being held on farms. Manufacturers' stocks are currently at the required 18-months level, and prospects for increased consumption are not too promising due to recent increases in excise duties on tobacco products.

October U.S. Tobacco Imports Up

U.S. general imports (arrivals) of unmanufactured tobacco in October 1970 were 7.7 million pounds, above the relatively low quantity (4.6 million pounds) received in October 1969. However, arrivals were lower than in October 1968, indicating a continued slowdown in imports of foreign-grown tobaccos. The value of imports, at \$2.1 million, was slightly lower than the value of October 1969 imports, but about one-third less than 2 years ago. Cigarette leaf tobaccos were off substantially but this was more than offset by an increase in scrap tobacco at significantly lower prices.

Imports for the January-October 1970 period continued to be dampened. At 189 million pounds, they were down from

U.S. GENERAL IMPORTS OF UNMANUFACTURED TOBACCO

Item	1969		1970	
	Quantity	Value	Quantity	Value
	<i>1,000 pounds</i>	<i>1,000 dollars</i>	<i>1,000 pounds</i>	<i>1,000 dollars</i>
January-October:				
Cigarette leaf (flue & burley)	13,418	4,508	15,428	5,014
Cigarette leaf, other	124,214	78,353	108,355	66,871
Cigar wrapper	549	1,683	565	2,292
Mixed filler & wrapper	587	2,254	958	2,139
Cigar filler, unstemmed	33,033	10,110	30,829	10,653
Cigar filler, stemmed	2,069	2,216	2,624	3,007
Scrap	29,176	7,593	29,776	7,189
Stems	1,025	23	258	22
Total	204,071	106,740	188,793	97,187
October:				
Cigarette leaf (flue & burley)	594	481	35	8
Cigarette leaf, other	282	83	12	4
Cigar wrapper	7	31	39	175
Mixed filler & wrapper	153	562	45	134
Cigar filler, unstemmed	1,302	403	1,563	580
Cigar filler, stemmed	408	241	275	280
Scrap	1,883	461	5,777	944
Stems	—	—	4	5
Total	4,629	2,262	7,750	2,130

Bureau of the Census.

204 million in the same period of 1969 and off 10 percent from the 1968 period. Import value also continued lower at \$97.2 million, compared with \$107 in 1969 and \$118 million in 1968. Most of the decline is in cigarette leaf, indicating a slowdown of purchases due to the relatively high levels of stocks of imported cigarette leaf held by U.S. manufacturers.

Fruits, Nuts, and Vegetables

Netherlands Uses More Hop Extract

Since the Netherlands does not produce hops, the Dutch brewing industry is dependent upon imports as a source of supply. During the past decade, Dutch imports of whole hops have dropped substantially as the brewing industry adopted the usage of hop extract and powder. Easier handling during brewing is cited as the primary reason.

In 1960, the brewing industry's hop utilization consisted entirely of whole hops. By the 1970 season, whole hops accounted for only 10 percent of the hops used, with extract providing 70 percent and powder 20 percent.

Extract imports, which totaled 1 ton during the 1961-62 season, rose to 287 tons in 1969-70. The United States, with shipments totaling 160 tons, was the Netherlands's largest supplier in 1969-70.

During 1970-71, American hop extract has compared unfavorably pricewise with the West German product. Consequently, imports from West Germany are expected to increase at the expense of the American product.

THE NETHERLANDS HOP IMPORTS 1964-69

Season	Hop extract		Whole hops	
	Total	United States	Total	United States
	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>
1964-65	855	101	50	3
1965-66	658	148	101	37
1966-67	725	163	136	50
1967-68	50	6	187	86
	474	0	216	73
1969-70	204	0	287	160

Sugar and Tropical Products

Honey Prices Higher in United Kingdom

Honey prices have risen in the United Kingdom due to smaller world export supplies and a short domestic crop.

There are several reasons for this. World output was a record 963 million pounds in 1969 and is expected to be near this level in 1970, but consumption has been increasing in the exporting countries. World stocks have also been replenished during the past 2 years following short world crops in 1966-68, but world honey exports are estimated to be 5 percent less in 1970 than last year. Meanwhile, the U.K. honey crop is forecast at 8.6 million pounds in 1970 compared with an estimated 9.3 million in 1969. U.K. honey prices on November 21, compared with 2 weeks earlier and a year ago:

Type	Nov. 21, 1970	Nov. 14	A year ago
	<i>Cents per lb.</i>	<i>Cents per lb.</i>	<i>Cents per lb.</i>
Australia:			
Light Amber	15.5	15.5	14.2
Medium Amber			
(Pfund 65/75) ¹	15.3	14.5	13.1
(Pfund 76/90) ²	14.7	13.9	12.1
Dark Amber	13.4	12.9	11.2
Manufacturing Grade ...	13.4	12.9	11.0
Mainland China:			
Light Amber	14.7	(³)	(³)
Amber A	(³)	13.6	10.0
Buckwheat	(³)	13.6	8.0

¹ Lighter color. ² Darker color. ³ Not quoted.

Note: All prices c.i.f. basis for shipment in minimum 50-ton lots.

Grains, Feeds, Pulses, and Seeds

Weekly Rotterdam Grain Price Report

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Dec. 16	Change from previous week	A year ago
	<i>Dol. per bu.</i>	<i>Cents per bu.</i>	<i>Dol. per bu.</i>
Wheat:			
Canadian No. 2 Manitoba	2.08	0	1.95
USSR SKS-14	2.07	+1	1.78
Australian FAQ	1.88	-2	1.70
U.S. No. 2 Dark Northern Spring:			
14 percent	2.09	+1	1.86
15 percent	2.12	+1	1.92
U.S. No. 2 Hard Winter:			
13.5 percent	1.98	0	1.75
Argentine	(¹)	(¹)	1.73
U.S. No. 2 Soft Red Winter ...	1.88	+2	1.56
Feedgrains:			
U.S. No. 3 Yellow corn	1.79	-1	1.47
Argentine Plate corn	1.90	-2	1.82
U.S. No. 2 sorghum	1.66	+2	1.46
Argentine-Granifero	1.67	+1	1.46
Soybeans:			
U.S. No. 2 Yellow	3.25	-4	2.79

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

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Foreign Agriculture

East Pakistan's Food Needs

(Continued from page 3)

subsistence rice farmers or fishermen, and East Pakistan's estimated output of milled rice for 1970-71 has now dropped to 11.3 million tons—down about 7 percent from the output expected before the mid-November disaster. The southern districts, where damage to rice ready for harvest was greatest, usually produce about 2 million tons of milled rice.

In the coastal district of Barisal, the leading district in area planted to rice and one of the three largest producing districts, many rice fields were a total loss. In areas further inland, rice was knocked to the ground just before it was ready for harvest. Floods during the last week of July had already reduced the "aus" crop, one of three rice crops in East Pakistan. Harvested in September and October, some of the rice from this crop was destroyed in the villages where it was stored when the cyclone hit.

One encouraging factor is that supplies of rice in areas not damaged by tidal waves are expected to be higher than usual this year—especially in the northeastern part of the country. This is due somewhat to the increased plantings of IR-20, a new, high-yielding variety beginning to come into use.

Imports of preserved milk and protein enriched food by the Government

of East Pakistan have been increasing over the past several years and are expected to jump ahead even further in 1970-71. The value of preserved milk imports increased from \$1.9 million in 1968-69 to \$4.7 million in 1969-70. Pakistan's soybean and peanut meal imports for use with flour for protein fortification are also likely to rise during the coming year.

While oil in East Pakistan is produced domestically from rape seed, mustard seed, sesame seed, and peanuts, all soybean oil is imported. Commercial purchases of U.S. soybean oil have increased markedly this year, and East Pakistan's total vegetable oil purchases probably will exceed \$25 million in 1970-71.

Current economic prospects

Although the cyclone in East Pakistan represents a substantial loss of life and property, the improved economic condition brought about by urbanization, new industries, crop diversification, and greater use of farm inputs eventually will be resumed.

The cyclone appears not to have seriously damaged the jute crop, recently estimated at 1.2 million tons. Jute and jute products account for over 90 percent of East Pakistan's exports to foreign markets.

In 1969-70 revenues from jute increased as a result of higher prices of raw fiber exports and greater exports of domestic manufactures. This helped push East Pakistan's total 1969-70 exports to \$349.2 million.

Imports from foreign countries increased from \$278.8 million in 1967-68 to \$380.7 million in 1969-70, and imports from West Pakistan increased from \$244 million to \$327 million during the same period.

Agricultural exports from the United States to Pakistan (East and West combined) have fluctuated widely over the last decade—from a high of \$164.9 million in 1963 to a low of \$38.5 million in 1969. During the period January-September 1970, however, U.S. exports to Pakistan totaled \$90 million, and exports through December are estimated at \$140 million.

Exports of U.S. wheat to Pakistan have increased from 200,000 tons in 1969 to 843,000 tons during the first 9 months of 1970, while soybean oil exports increased from 83,000 tons to 113,000 tons during the same period. About 50,000 tons of the recent soybean oil exports were purchased commercially. During the past 3 years, East Pakistan has accounted for over 80 percent of the country's wheat imports and almost half the vegetable oil imports.